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Security Council

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Letter dated 11 March 2008 from the Secretary-General addressed to the President of the Security Council

I refer to the letter dated 29 February 2008 (S/2008/140) from the President of the Security Council requesting a comprehensive status report on the processing of letters of credit pertaining to the oil-for-food programme.

The Council will recall that at the meeting of the Working Group of representatives of the Government of Iraq, the Central Bank of Iraq and the Secretariat, held in Amman from 7 to 17 January 2008, it was reported that there were 210 outstanding letters of credit, as at 31 December 2007 (see S/2008/41). As shown in the attached note, I am pleased to report that the number of outstanding letters of credit has since decreased to 167. This number, however, still remains high. Moreover, I wish to inform the Council that since I last reported to the Council in January, the processing of the authentication documents by the Government of Iraq has remained slow. Given the uncertainty as to what progress will have been made by the end of March, I would recommend that the situation be reviewed by the Working Group early in May on the basis of results achieved as at 30 April 2008. If the Council agrees, I shall provide a further progress report in May, after a follow-up meeting of the Working Group.

In the light of the recent developments, an initial amount of $100 million of the $225 million held pending resolution of certain issues could be released and transferred to the Development Fund for Iraq pursuant to Security Council resolution 1483 (2003), subject to no objection by the Council. With respect to the unencumbered funds in the United Nations Iraq Account, I would recommend that the $187 million held as a financial reserve continue to be held.

(*Signed*) **Ban** Ki-moon

08-26986 (E) 190308

Note by the Secretary-General on the arrangements for the termination of operations relating to the letters of credit issued against the United Nations Iraq Account in the framework of the oil-for-food programme pursuant to Security Council resolution 1483 (2003)

I. Status of the United Nations Iraq Account

1. As at 29 February 2008, the United Nations Iraq Account contained the United States dollar equivalent amount of approximately $1.023 billion, which is composed of €526 million in the euro sub-account with United States dollar equivalent of 799 million (at a rate of 1.5128) and $228 million in the United States dollar account of the United Nations Iraq Account. Of this total amount, approximately $605 million is held in the cash collateral portion of the account to cover expired letters of credit for which claims of delivery have been made. The remaining amount of approximately $418 million is currently held in the non-collateral portion of the account and corresponds to the following amounts: (a) $187 million which is being held in the account as a reserve for any unanticipated claims until such issues are resolved pursuant to paragraph 16 of the note attached to my letter to the President of the Security Council dated 10 July 2006 (S/2006/510); (b) $225 million originally held in the account as collateral in respect of expired letters of credit, which funds have not been transferred to the Development Fund for Iraq pending the resolution of claims of delivery from suppliers in those cases where the Government of Iraq has not issued authentication documents pursuant to the notes attached to my letters to the President of the Security Council dated 25 July 2007 (S/2007/476), 7 December 2007 (S/2007/725) and 23 January 2008 (S/2008/41); and (c) any unrealized gains from the strengthening of the euro against the United States dollar.

II. Status of the letters of credit as at 29 February 2008

2. As at 29 February 2008, there were 167 outstanding letters of credit (see table 1 and annexes I, II and III for details) representing an aggregate amount of $605 million.

3. It should be noted that the number of letters of credit decreased from 210 at the end of December 2007 to 167 at the end of February 2008. This decrease is mainly due to the letters of credit that were cancelled in January and February 2008 (see annex IV for details). It should also be noted that the number of letters of credit with claims of delivery has decreased from 164 (with a value of approximately $175 million of claims of delivery) at the end of December 2007 to 148 (with a value of approximately $264 million of claims of delivery) at the end of February 2008 (see tables 1.A and 1.B). The increase in the value of the claims is due in part to the new shipments made in December 2007 and the presentation of new documents to BNP Paribas by the beneficiaries of the letters of credit and in part to the strengthening of the euro in relation to the dollar for those letters of credit denominated in euros.

4. Despite the decrease in the number of letters of credit the processing of the confirmations of arrival by the Government of Iraq has been slow in January and February 2008. The commitment entered into by the concerned ministries at a

meeting with representatives of the Ministry of Foreign Affairs, the Central Bank of Iraq and the United Nations Secretariat (Working Group) has yet to be fulfilled. It may be recalled that I had informed the Council of the results of the Working Group in my letter of 23 January 2008 (S/2008/41).

5. The responsible authorities in Iraq are urged to process confirmations of arrival promptly so that payments can be made in accordance with the terms and conditions of the letters of credit. It should be reiterated that the processing of confirmations of arrival should not be delayed on account of, or be made contingent upon the resolution of, commercial disputes. As consistently noted by the Secretary-General, such disputes should instead be handled in accordance with the dispute resolution mechanism provided for in the underlying contract.

6. I urge the concerned ministries of Iraq and the Central Bank of Iraq to fulfil the commitments made by the Government of Iraq at the Working Group meeting in Amman as described in the note attached to my letter dated 23 January 2008 to the President of the Security Council.

Table 1
Status of letters of credit as at 29 February 2008, by expiry period

	Outstanding letters of credit		*Letters of credit with claims of delivery*	
Expiration period	*Number*	*Value**	*Number*	*Value**
2004	33	39 120 755.93	30	30 799 952.54
2005	7	2 208 858.42	6	1 842 789.75
2006	62	191 313 411.90	56	48 963 277.90
2007	65	372 102 498.96	56	182 089 819.89
Total	**167**	**604 745 525.21**	**148**	**263 695 840.09**
Total at 31 December 2007	**210**	**656 254 366.16**	**164**	**175 370 699.87**

* United States dollar equivalent.

Table 1.A
Comparative status of letters of credit from 31 December 2007 to 29 February 2008, by expiry period

	Total number of letters of credit			*Letters of credit with claims of delivery*		
Expiration period	*31/12/2007*	*29/02/2008*	*Change*	*31/12/2007*	*29/02/2008*	*Change*
2004	42	33	-9	38	30	-8
2005	10	7	-3	8	6	-2
2006	81	62	-19	70	56	-14
2007	77	65	-12	48	56	8
Total	**210**	**167**	**-43**	**164**	**148**	**-16**

Table 1.B
Comparative status of letters of credit from 31 December 2007 to 29 February 2008, by expiry period

	*Total value of all letters of credit**			*Value of letters of credit with claims of delivery**		
Expiration period	*31/12/2007*	*29/02/2008*	*Change*	*31/12/2007*	*29/02/2008*	*Change*
2004	53 982 125.30	39 120 755.93	(14 861 369.37)	42 564 611.84	30 799 952.54	(11 764 659.30)
2005	4 471 712.41	2 208 858.42	(2 262 853.99)	1 768 665.51	1 842 789.75	74 124.24
2006	202 940 716.35	191 313 411.90	(11 627 304.45)	48 856 568.37	48 963 277.90	106 709.53
2007	394 859 812.09	372 102 498.96	(22 757 313.13)	82 180 854.15	182 089 819.89	99 908 965.74
Total	**656 254 366.15**	**604 745 525.21**	**(51 508 840.94)**	**175 370 699.87**	**263 695 840.08**	**88 325 140.21**

* United States dollar equivalent.

Table 2
Status of letters of credit as at 29 February 2008, by sector

	Total outstanding letters of credit		*Letters of credit with claims of delivery*	
Sector	*Number*	*Value**	*Number*	*Value**
Agriculture	27	104 708 339.53	27	78 846 917.10
Communication/transportation	9	12 980 660.57	8	11 174 471.26
Education	5	60 078 625.33	3	15 208 696.04
Electricity	13	62 935 306.33	12	27 194 020.24
Food	3	4 330 350.83	2	4 001 871.83
Food handling	16	18 789 203.86	15	10 833 739.40
Health	4	10 898 111.79	3	1 302 874.34
Housing	31	129 337 182.28	30	76 262 750.76
Industry	1	497 466.11	1	497 466.11
Oil spares	43	125 453 834.59	34	22 993 480.42
Water and sanitation	15	74 736 444.00	13	15 379 552.59
Total	**167**	**604 745 525.21**	**148**	**263 695 840.09**

* United States dollar equivalent.

III. Claims of delivery by suppliers and status of the Working Group meeting

7. As indicated in the letter dated 8 November 2007 from the President of the Security Council to the Secretary-General, the members of the Council expressed their ongoing concern with respect to the slow and non-provision of confirmations of arrival by the Government of Iraq and were also concerned that there were expired letters of credit for which there were claims of delivery from the suppliers.

8. Notwithstanding the continued calls from the Security Council and the Secretariat, the issuance of confirmations of arrival has been very slow and at times not forthcoming. Under existing procedures pursuant to Security Council resolution 986 (1995), payments cannot be made to suppliers who have delivered goods and services in Iraq without the receipt of the corresponding confirmations of arrival from the Central Bank of Iraq.

9. As a result of the meeting of the Working Group, the Government of Iraq had undertaken to take certain steps to resolve the claims of delivery for which shipments had been made on or before 31 December 2007. In order to terminate efficiently the operations of the letters of credit under the oil-for-food programme, the Working Group had agreed that the concerned ministries of Iraq will confirm delivery and issue and transmit the necessary confirmations of arrival to the Central Bank of Iraq following the session of the Working Group. If the confirmations of arrival were delivered to the Secretariat before 31 March 2008, payment under the respective letter of credit would be made by BNP Paribas.

10. Notwithstanding these efforts, the pace of the delivery of the confirmations of arrival from the Central Bank of Iraq to the United Nations Secretariat has not improved, as a result of which there are currently 148 letters of credit (see table 3) with an approximate value of $264 million where the letters of credit have expired on or before 31 December 2007 but for which there are claims of delivery from the suppliers based upon documents pending with BNP Paribas.

11. The status of the letters of credit as at 29 February 2008 and updated information after the Working Group meeting in January 2008 is shown in tables 3 and 4.

Table 3
Status of letters of credit, by category as at 29 February 2008

	Total outstanding letters of credit		*Letters of credit with claims of delivery*	
Category	*Number*	*Value**	*Number*	*Value**
Confirmation of arrival in Iraq which may be issued by the Government of Iraq prior to 30 April 2008 (see annex I)	131	444 623 607.80	121	205 822 034.89
Letters of credit targeted for cancellation (see annex II)	17	140 167 762.45	14	40 632 254.69
Paid or to be paid in 2008 (see annex III)	19	19 954 154.96	13	17 241 550.50
Total	**167**	**604 745 525.21**	**148**	**263 695 840.09**

* United States dollar equivalent.

Table 4
Analysis of letters of credit by sector as at 29 February 2008

	Category											
	Total		*1*		*2*		*3*		*4*		*5*	
Sector	*No.*	*Value**	*No.*	*Value**	*No.*	*Value**	*No.*	*Value**	*No.*	*Value**	*No.*	*Value**
Agriculture	27	104 708 339.53	21	97 788 829.86	0		0		1	3 782 665.92	5	3 136 843.75
Communication/ transportation	9	12 980 660.57	2	7 772 076.04	1	2 432 848.67	3	2 076 641.45	2	271 665.79	1	427 428.62
Education	5	60 078 625.33	1	8 505 000.00	0		0		2	49 261 986.60	2	2 311 638.73
Electricity	13	62 935 306.33	11	46 278 467.62	0		1	16 317 246.00	1	339 592.71	0	
Food	3	4 330 350.83	1	3 908 086.05	0		0		1	102 102.09	1	320 162.69
Food handling	16	18 789 203.86	10	16 076 055.85	1	272 508.32	3	2 105 677.87	0		2	334 961.82
Health	4	10 898 111.79	3	8 190 471.85	0		0		1	2 707 639.94	0	
Housing	31	129 337 182.28	16	74 353 563.71	2	1 554 344.33	5	8 758 949.23	2	32 036 608.46	6	12 633 716.57
Industry	1	497 466.11	1	497 466.11	0		0		0		0	
Oil spares	43	125 453 834.59	35	98 390 031.00	0		1	921 461.15	6	25 719 963.89	1	422 378.55
Water and sanitation	15	74 736 444.00	12	32 941 099.04	0		1	15 482 783.66	1	25 945 537.07	1	367 024.24
Totals	**167**	**604 745 525.21**	**113**	**394 701 147.12**	**4**	**4 259 701.32**	**14**	**45 662 759.36**	**17**	**140 167 762.45**	**19**	**19 954 154.96**
Totals at 31 December 2007	**210**	**656 254 366.16**	**114**	**384 982 410.96**	**4**	**4 104 464.39**	**14**	**149 287 [illegible]56.45**	**57**	**183 678 039.24**	**21**	**34 201 905.11**

* United States dollar equivalent.

Categories

1 Confirmation of arrival in Iraq in process (partial or full)
2 Commercial disputes to be resolved and confirmation of arrival to be provided before 31 March 2008
3 Commercial disputes which may not be resolved by 31 March 2008
4 Letters of credit targeted for cancellation
5 Paid or to be paid in 2008

12. It should be recalled that 17 letters of credit with claims of delivery were referred to in my letter to the President of the Security Council dated 25 July 2007 (S/2007/476). The Security Council requested the Secretariat to issue all necessary documentation to BNP Paribas for early settlement of the related payments associated with those letters of credit in the letter from the President of the Security Council dated 8 November 2007. As requested, the Secretariat had issued all the necessary documentation to BNP Paribas for the settlement of the 17 letters of credit referred to above. To date, BNP Paribas has paid the beneficiaries of nine letters of credit including those related to communication numbers 600882 (paid on 27 December 2007), 631025 (paid on 13 December 2007), 802679 (paid on 7 January 2008), 900032 (paid on 7 March 2008), 900045 (paid on 8 January 2008), 1000623 (paid on 17 December 2007), 1001817 (paid on 17 December 2007), 1100100 (paid on 8 January 2008) and 1300211 (paid on 28 December 2007). The payments related to eight letters of credit including communication numbers 601441, 601909, 800784, 802945, 901306, 1001636, 1100171 and 1200538 are currently being reviewed by the United Nations Secretariat or BNP Paribas for payment processing.

13. In an effort to move towards the termination of the operations relating to the letters of credit under the programme, the Secretariat has continued to regularly cancel letters of credit that have expired on their own terms with no claim of delivery asserted by the supplier. As a result of the activities of the Working Group, there were 57 letters of credit that were targeted for cancellation, of which 39 were cancelled subsequent to the meeting in Amman and one was paid in full (see annex IV). There are 17 letters of credit remaining targeted for cancellation, which are currently being evaluated by BNP and/or the United Nations Secretariat with a view to determining whether they could be cancelled and whether the associated cash collateral could be released from the collateral portion to the non-collateral portion of the United Nations Iraq Account.

14. To maximize the number of letters of credit to be cancelled, the Secretariat will continue its existing process of reviewing the expired letters of credit for which no claim of delivery has been made to determine whether a letter of credit could be cancelled and the associated cash collateral released from the collateral portion to the non-collateral portion of the United Nations Iraq Account. Such funds would in principle be available for transfer to the Development Fund for Iraq in accordance with Security Council resolution 1483 (2003).

15. With regard to the unresolved issues, the Government of Iraq committed itself to make every effort to settle outstanding issues in cooperation with the United Nations Secretariat in the first quarter of 2008. However, in the past month virtually no progress has been made in the delivery of the confirmations of arrival to the Secretariat. Therefore, I would propose that the situation be reviewed by the Working Group early in May on the basis of results achieved as at 30 April 2008. This would be followed by a meeting of the Working Group early in May and a report to the Council later that month.

16. I believe this would give time for the Government of Iraq and an opportunity to make every effort to resolve all issues and to settle outstanding issues in cooperation with the United Nations Secretariat.

17. However, should any issues remain unresolved as at 1 May 2008, the Security Council may wish to pay particular attention to the recommendation I made in paragraph 67 of the note contained in document S/2007/725.

IV. Release of cash collateral from the United Nations Iraq Account

18. It should be recalled that in my letter of 10 July 2006 to the President of the Security Council (S/2006/510), I indicated that, unless there was an objection from the Council, funds in the amount of $187 million would be held in the United Nations Iraq Account as a reserve for any unanticipated claims from suppliers. This $187 million reserve should continue to be maintained in the account. It is also recalled that in my letters of 25 July 2007 (S/2007/476) and 23 January 2008 (S/2008/41), I indicated that additional funds amounting to $225 million would be retained pending resolution of the issue of claims of delivery from suppliers. The Council duly took note of this position.

19. Given the limited progress made so far in liquidation of the programme through the cancellation of certain letters of credit, the Secretary-General would intend, subject to no objection by the Council, to transfer to the Development Fund an initial tranche of $100 million of the $225 million of unencumbered funds held in the account referred to above, consistent with the provisions of Security Council resolution 1483 (2003).

Annex I

Confirmation of arrival in Iraq which may be issued by the Government of Iraq prior to 30 April 2008

Sector	Comm No	Letter of Credit	LC Value Equivalent US$	Pending Documents at BNP	Balance US$
Electricity	601808	Z725517	1,210,560.00	0.00	1,210,560.00
Oil Spares	631099	Z737736	192,050.24	0.00	192,050.24
Oil Spares	830875	C734978	140,404.34	0.00	140,404.34
Oil Spares	930181	L729782	46,117,314.75	0.00	46,117,314.75
Oil Spares	930599	L733054	729,523.80	0.00	729,523.80
Oil Spares	1030296	T734029	298,376.28	0.00	298,376.28
Oil Spares	1230176	P751169	2,327,686.84	0.00	2,327,686.84
Oil Spares	1230497	P739154	350,200.62	0.00	350,200.62
Subtotal		**8 LCs**	**51,366,116.87**	**0.00**	**51,366,116.87**
Agriculture	601333	Z718896	5,701,045.67	719,593.26	4,981,452.41
Agriculture	601799	Z719838	9,506,200.00	9,506,200.00	0.00
Agriculture	702154	U725738	474,818.36	422,274.16	52,544.20
Agriculture	702423	U726920	3,475,587.28	3,420,970.65	54,616.63
Agriculture	800329	C729396	4,024,814.04	4,024,814.04	0.00
Agriculture	800783	C727202	3,192,573.24	3,192,573.24	0.00
Agriculture	801639	M751744	296,520.42	186,493.19	110,027.23
Agriculture	801777	M728103	671,336.55	670,607.96	728.59
Agriculture	1002233	T751386	7,283,441.59	816,371.00	6,467,070.59
Agriculture	1002236	T751710	1,225,095.54	45,385.78	1,179,709.76
Agriculture	1100304	V736362	1,345,508.02	1,345,497.73	10.29
Agriculture	1100581	V734761	41,688,774.58	41,688,774.58	0.00
Agriculture	1100926	V736033	5,292,068.59	2,021,527.78	3,270,540.82
Agriculture	1101106	V751800	1,796,374.48	1,796,374.48	0.00
Agriculture	1101473	V736780	609,790.28	609,790.28	0.00
Agriculture	1200447	P750982	937,285.23	199,156.90	738,128.34
Agriculture	1200564	P750157	2,024,738.41	2,024,738.41	0.00
Agriculture	1200933	P739022	3,965,374.60	182,094.69	3,783,279.91
Agriculture	1201414	P750944	3,955,670.27	2,545,270.79	1,410,399.49
Agriculture	1300126	B750927	190,570.64	190,570.61	0.04
Agriculture	1300396	B751597	131,242.06	73,751.89	57,490.17
Communication/Transportation	1201424	P750468	147,265.14	3,231.33	144,033.81
Communication/Transportation	1201532	P750004	7,624,810.89	7,624,810.89	0.00
Education	702153	U735282	8,505,000.00	8,505,000.00	0.00
Electricity	601654	Z725037	19,918,584.19	3,833,340.83	16,085,243.36
Electricity	601701	Z722153	348,736.76	49,996.97	298,739.79
Electricity	700663	U724186	1,552,678.00	307,308.00	1,245,370.00
Electricity	801479	C733847	12,555,441.56	12,012,264.39	543,177.17
Electricity	900778	L737115	830,752.75	81,014.83	749,737.93
Electricity	900778	L737360	1,797,570.35	794,251.13	1,003,319.21
Electricity	901749	L732684	2,660,838.92	2,635,292.85	25,546.08
Electricity	1001243	T733865	6,090.51	5,787.93	302.59
Electricity	1200840	P738507	1,107,792.00	109,542.00	998,250.00
Electricity	1200853	P738659	4,289,422.58	4,250,968.60	38,453.97

Sector	Comm No	Letter of Credit	LC Value Equivalent US$	Pending Documents at BNP	Balance US$
Food	1300594	B751625	3,908,086.05	3,899,769.74	8,316.31
Food Handling	801598	C726086	4,529,429.65	993,460.91	3,535,968.74
Food Handling	902034	L735561	204,583.84	204,583.81	0.03
Food Handling	1000226	T731031	1,777,373.54	1,370.79	1,776,002.75
Food Handling	1001275	T739181	126,568.34	80,414.43	46,153.90
Food Handling	1100102	V734534	757,212.90	757,211.80	1.10
Food Handling	1101147	V735680	775,037.76	764,088.96	10,948.80
Food Handling	1101710	V737379	4,998,283.51	4,216,377.47	781,906.04
Food Handling	1200291	P737772	369,989.76	336,617.10	33,372.66
Food Handling	1300164	B750291	1,437,832.83	1,437,832.83	0.00
Food Handling	1300213	B750302	1,099,743.72	1,099,743.72	0.00
Health	801130	M728881	1,007,990.48	1,007,990.41	0.08
Health	1000752	T739588	6,674,647.47	237,480.00	6,437,167.47
Health	1100539	V737691	507,833.89	57,403.93	450,429.95
Housing	801344	C726197	2,494,763.45	2,494,756.43	7.02
Housing	802954	C738447	1,692,014.15	1,121,147.10	570,867.05
Housing	900034	L727655	3,989,190.00	3,989,179.44	10.56
Housing	900209	L729055	15,984,034.42	3,285,802.51	12,698,231.91
Housing	900991	L751810	122,525.84	122,525.84	0.00
Housing	901788	L731638	73,772.63	73,772.63	0.00
Housing	1000426	T732124	3,168,144.86	3,168,102.81	42.04
Housing	1000445	T733494	7,159,028.14	6,992,011.48	167,016.66
Housing	1000446	T734532	1,330,524.64	800,560.02	529,964.63
Housing	1000454	T731373	164,443.96	141,253.13	23,190.83
Housing	1001474	T751716	17,024,025.20	484,706.51	16,539,318.70
Housing	1001517	T751770	18,511,346.44	6,209,198.18	12,302,148.26
Housing	1100087	V735834	1,957,127.85	35,816.04	1,921,311.82
Housing	1100129	V736053	246,712.72	77,044.13	169,668.59
Housing	1100408	V736165	53,434.89	53,434.57	0.32
Housing	1300215	B750425	382,474.51	382,474.49	0.02
Industry	1200555	P751720	497,466.11	497,466.11	0.00
Oil Spares	630631	Z737711	196,400.00	196,400.00	0.00
Oil Spares	630860	Z731736	30,336.02	12,213.30	18,122.72
Oil Spares	631026	Z751762	682,727.27	37,272.72	645,454.55
Oil Spares	631028	Z751761	672,727.00	672,727.00	0.00
Oil Spares	631031	Z751763	2,174,545.00	2,174,545.00	0.00
Oil Spares	631048	Z728693	420,000.00	385,000.00	35,000.00
Oil Spares	730971	U737440	736,438.43	685,774.15	50,664.28
Oil Spares	731024	U737646	2,637,471.71	2,293,096.52	344,375.19
Oil Spares	731032	U737779	4,686,941.27	4,686,941.27	0.00
Oil Spares	830558	M734207	78,845.11	78,845.11	0.00
Oil Spares	830639	M734860	24,220.88	24,220.88	0.00
Oil Spares	1030389	T735614	70,953.09	70,953.09	0.00
Oil Spares	1030451	T735631	63,681.80	63,681.80	0.00
Oil Spares	1030463	T734293	2,486,807.87	308,653.56	2,178,154.31
Oil Spares	1030464	T751365	1,163,520.27	859,970.42	303,549.85

Sector	Comm No	Letter of Credit	LC Value Equivalent US$	Pending Documents at BNP	Balance US$
Oil Spares	1030568	T735765	15,128.59	15,128.59	0.00
Oil Spares	1030622	T751572	102,618.77	52,745.90	49,872.87
Oil Spares	1030728	T735299	28,097,007.05	4,236,234.93	23,860,772.12
Oil Spares	1230025	P751776	2,363,636.36	2,363,636.36	0.00
Oil Spares	1230094	P739017	100,845.65	52,051.87	48,793.78
Oil Spares	1230127	P751526	507,884.36	42,722.28	465,162.07
Oil Spares	1230159	P738616	48,451.51	48,451.51	0.00
Oil Spares	1230318	P750352	92,055.61	86,639.24	5,416.37
Oil Spares	1230347	P738858	91,635.96	91,635.96	0.00
Oil Spares	1230495	P750674	276,237.52	276,237.52	0.00
Oil Spares	1230584	P751290	64,069.59	64,069.59	0.00
Oil Spares	1230588	P750096	284,691.38	284,691.38	0.00
Oil Spares	1230606	P751359	64,596.07	64,596.07	0.00
Water & Sanitation	700712	U732313	275,125.00	82,200.00	192,925.00
Water & Sanitation	702674	U751752	411,925.66	411,925.66	0.00
Water & Sanitation	802571	M750987	4,182,760.97	4,182,760.97	0.00
Water & Sanitation	802719	C750829	2,759,475.64	2,759,475.64	0.00
Water & Sanitation	901987	L734729	907,715.58	907,715.58	0.00
Water & Sanitation	902053	L736336	11,189,367.93	350,667.52	10,838,700.41
Water & Sanitation	902090	L738698	479,200.00	121,500.00	357,700.00
Water & Sanitation	1000840	T734819	109,231.20	109,231.20	0.00
Water & Sanitation	1001204	T751571	10,564,885.02	4,924,428.14	5,640,456.88
Water & Sanitation	1001466	T736516	1,511,649.02	920,726.17	590,922.84
Water & Sanitation	1100301	V737613	197,679.82	197,679.82	0.00
Water & Sanitation	1200370	P738022	352,083.21	352,083.21	0.00
Subtotal		**105 LCs**	**343,335,030.26**	**196,468,768.42**	**146,866,261.84**
Total		**113 LCs**	**394,701,147.12**	**196,468,768.42**	**198,232,378.71**

Sector	Comm No	Letter of Credit	LC Value Equivalent US$	Pending Documents at BNP	Balance US$
Housing	801103	C725591	1,187,820.50	54,487.29	1,133,333.21
Food Handling	901341	L737106	272,508.32	272,508.32	0.00
Housing	802968	C737867	366,523.83	366,523.83	0.00
Communication/Transportation	801061	C727374	2,432,848.67	2,377,175.34	55,673.33
Total		**4 LCs**	**4,259,701.32**	**3,070,694.78**	**1,189,006.54**

Sector	Comm No	Letter of Credit	LC Value Equivalent US$	Pending Documents at BNP	Balance US$
Housing	601979	Z726060	2,212,514.92	0.00	2,212,514.92
Water & Sanitation	1300131	B750306	15,482,783.66	0.00	15,482,783.66
Subtotal		**2 LCs**	**17,695,298.58**	**0.00**	**17,695,298.58**
Communication/Transportation	1100335	V734553	113,499.24	113,499.24	0.00
Communication/Transportation	1201429	P750492	64,503.78	64,503.78	0.00
Communication/Transportation	1300033	B750473	1,898,638.43	723,971.94	1,174,666.49
Electricity	702374	U760000	16,317,246.00	2,774,660.00	13,542,586.00
Food Handling	1000288	T731067	151,285.93	151,285.93	0.00
Food Handling	1200994	P751686	1,872,757.97	270,960.27	1,601,797.70
Food Handling	1201398	P750262	81,633.96	81,633.89	0.08
Housing	802969	M737883	24,525.85	24,390.09	135.76
Housing	1100020	V735808	4,702,202.97	43,906.78	4,658,296.19
Housing	1100139	V734535	1,757,392.48	1,750,673.37	6,719.11
Housing	1100149	V734536	62,313.01	44,051.51	18,261.50
Oil Spares	930074	L730874	921,461.15	239,034.89	682,426.26
Subtotal		**12 LCs**	**27,967,460.78**	**6,282,571.69**	**21,684,889.09**
Total		**14 LCs**	**45,662,759.36**	**6,282,571.69**	**39,380,187.66**
Grand Total		**131**	**444,623,607.80**	**205,822,034.89**	**238,801,572.90**

Annex II

Letters of credit targeted for cancellation

Sector	Comm No	Letter of Credit	LC Value Equivalent US$	Pending Documents at BNP	Balance US$
Education	900655	L737547	39,293,818.90	0.00	39,293,818.90
Health	1200070	P750366	2,707,639.94	0.00	2,707,639.94
Oil Spares	730770	U731683	19,614,089.82	0.00	19,614,089.82
		3 LCs	**61,615,548.66**	**0.00**	**61,615,548.66**
Agriculture	1201412	P751161	3,782,665.92	57,639.94	3,725,025.98
Communication/Transportation	1100075	V734155	43,831.92	43,831.92	0.00
Communication/Transportation	1201430	P739433	227,833.87	223,446.81	4,387.07
Education	1300021	B739304	9,968,167.70	5,340,096.04	4,628,071.66
Electricity	700824	U724641	339,592.71	339,592.71	0.00
Food	1300553	B751627	102,102.09	102,102.09	0.00
Housing	1000600	T732494	31,918,580.67	31,918,580.67	0.00
Housing	1100016	V733855	118,027.79	22,496.32	95,531.47
Oil Spares	631157	Z751164	3,754,916.79	1,055,219.36	2,699,697.43
Oil Spares	830330	C729335	375,557.58	186,970.05	188,587.53
Oil Spares	830799	C732826	108,169.44	15,128.59	93,040.85
Oil Spares	1230448	P739150	1,854,583.96	1,258,102.87	596,481.09
Oil Spares	1230615	P750175	12,646.29	9,888.64	2,757.66
Water & Sanitation	901066	L751671	25,945,537.07	59,158.68	25,886,378.38
Subtotal		**14 LCs**	**78,552,213.80**	**40,632,254.69**	**37,919,959.11**
Total		**17 LCs**	**140,167,762.45**	**40,632,254.69**	**99,535,507.76**

Annex III

Paid or to be paid in 2008

Sector		Comm No	Letter of Credit	LC Value Equivalent US$	Pending Documents at BNP	Balance US$
Communication/Transportation		601309	Z730434	427,428.62	0.00	427,428.62
Education		600882	Z718687	900,547.82	0.00	900,547.82
Food		900045	L726681	320,162.69	0.00	320,162.69
Food Handling		1000623	T732881	71,449.18	0.00	71,449.18
Oil Spares		1230255	P738650	422,378.55	0.00	422,378.55
Water & Sanitation		1200401	P750513	367,024.24	0.00	367,024.24
			6 LCs	**2,508,991.10**	**0.00**	**2,508,991.10**
Agriculture	*	601909	Z727261	796,254.00	765,856.00	30,398.00
Agriculture	*	800784	C727209	705,999.36	705,999.36	0.00
Agriculture	*	901306	L731155	1,499,808.55	1,499,808.55	0.00
Agriculture	*	1100171	V751200	84,192.44	84,192.44	0.00
Agriculture	*	1200538	P751207	50,589.41	50,589.41	0.00
Education	*	601441	Z719977	1,411,090.91	1,363,600.00	47,490.91
Food Handling	*	1001636	T736742	263,512.63	165,649.17	97,863.46
Housing		702787	U732869	1,039,638.99	1,039,638.99	0.00
Housing		800975	C725998	1,358,772.22	1,358,053.04	719.18
Housing	*	802945	C736601	168,769.44	143,721.42	25,048.02
Housing	*	900032	L728872	6,950,045.95	6,950,045.61	0.33
Housing		1000299	T732141	24,511.92	22,418.47	2,093.45
Housing		1101152	V737364	3,091,978.05	3,091,978.05	0.00
Subtotal			**13 LCs**	**17,445,163.86**	**17,241,550.50**	**203,613.36**
Total			**19 LCs**	**19,954,154.96**	**17,241,550.50**	**2,712,604.46**

*Please refer to the letters of the President of the Security Council dated 8 November 2007 to the Permanent Representative of Iraq to the United Nations and the Secretary-General.

Annex IV

List of cancelled letters of credit from 1 January 2008 to 29 February 2008

Comm No	LC	EXPIRY	Curr	Amount in Original Currency	US$ equivalent
00278	K712779	28/02/2005	USD	511,809.06	511,809.06
600833	Z729302	31/12/2007	USD	110,069.00	110,069.00
630745	Z720101	31/12/2007	USD	171,052.73	171,052.73
701121	U723215	31/12/2007	USD	175,000.00	175,000.00
731018	U737630	09/02/2004	EUR	208,840.91	304,432.81
801150	M728133	31/12/2005	USD	12,583.88	12,583.88
801214	C725898	31/12/2007	EUR	5,454.68	7,951.43
801381	M728717	29/04/2004	EUR	5,116.79	7,458.88
802673	C729573	31/12/2007	USD	22,000.00	22,000.00
802974	M738082	18/06/2006	EUR	6,867.96	10,011.60
830267	M727734	31/12/2007	EUR	61,607.36	89,806.65
830307	M728505	19/06/2006	EUR	10,528.00	15,346.94
830694	M737946	19/06/2006	JPY	159,664,718.00	1,400,567.70
901366	L731772	18/06/2006	EUR	98,276.45	143,260.13
901392	L751798	11/04/2005	EUR	11,537.70	16,818.80
1002009	T738894	18/06/2006	EUR	3,055.00	4,453.35
1030349	T735766	18/06/2006	EUR	3,637,313.17	5,302,205.79
1030441	T751294	18/06/2006	EUR	357,329.45	520,888.41
1030526	T751291	18/06/2006	EUR	671,060.00	978,221.57
1101025	V737519	31/12/2007	EUR	1,833.68	2,673.00
1101138	V735694	31/12/2007	EUR	3,172,000.00	4,623,906.71
1101214	V735708	31/12/2007	EUR	1,720,000.00	2,507,288.63
1101233	V751706	19/06/2006	EUR	152,678.52	222,563.44
1101881	V751733	16/06/2006	EUR	660,533.20	962,876.38
1101995	V738920	30/06/2004	EUR	1,493,905.86	2,177,705.34
1200057	P736624	31/12/2007	EUR	2,306,340.91	3,362,012.99
1200278	P738491	31/12/2004	EUR	255,095.74	371,859.68
1200288	P750602	30/04/2004	EUR	12,521.25	18,252.55
1200623	P751734	19/06/2006	EUR	4,597,990.91	6,702,610.66
1200844	P738601	31/12/2007	CHF	13,766,402.70	12,075,791.84
1201433	P751682	19/08/2004	EUR	11,635.25	16,961.01
1230009	P751781	28/02/2005	GBP	1,010,000.00	2,011,952.19
1230061	P738957	19/06/2006	EUR	10,990.08	16,020.52
1230165	P750440	31/07/2004	EUR	72,973.00	106,374.64
1230276	P751455	30/08/2006	EUR	3,775.14	5,503.12
1230417	P751267	20/10/2004	EUR	58,087.41	84,675.52
1230556	P751484	19/06/2006	EUR	3,000.00	4,373.18
1230558	P750349	19/06/2006	EUR	4,812.10	7,014.72
1230582	P751730	31/12/2007	EUR	1,230,243.00	1,793,357.14
1300129	B750354	19/06/2006	EUR	766,827.33	1,117,824.10
				40 letters of credit	**47,995,536.10**

Annex V

Payments made from 1 January 2008 to 29 February 2008

Paid from the euro account

Comm No	LC	Date paid	Value in the original currency	Currency	Euro Value
702674	U751752	04/02/2008	3,401.22	EUR	3,401.22
702787	U732869	25/01/2008	751,581.79	EUR	751,581.79
800975	C725998	15/02/2008	264,161.23	EUR	264,161.23
802719	C750829	04/02/2008	272,138.60	EUR	272,138.60
900045	L726681	08/01/2008	1,172,606.40	EUR	960,978.86
1000226	T731031	28/01/2008	2,055,061.00	JPY	13,048.01
1000454	T731373	15/02/2008	160,645.08	EUR	160,645.08
1030389	T735614	25/01/2008	46,900.00	EUR	46,900.00
1200853	P738659	28/01/2008	19,985.00	CHF	12,482.82
1200853	P738659	28/01/2008	302,612.00	CHF	189,014.37
1201514	P751389	15/02/2008	10,506.35	EUR	10,506.35
1300215	B750425	27/02/2008	17,943.45	EUR	17,943.45
					2,702,801.78

Paid from the United States dollar account

Comm No	LC	Date paid	Value in the original currency	Currency	Dollar Value
601799	Z719838	02/01/2008	2,067,866.24	USD	2,067,866.24
702374	U760000	24/01/2008	1,979,880.00	USD	1,979,880.00
702374	U760000	24/01/2008	1,790,250.00	USD	1,790,250.00
702374	U760000	24/01/2008	924,100.00	USD	924,100.00
					6,762,096.24

Paid in full from the euro account and balance cancelled

Comm No	LC	Date paid	Value in the original currency	Currency	Euro Value
802679	C731210	07/01/2008	677,862.59	EUR	677,862.59
1230554	P750081	25/01/2008	26,740.56	EUR	26,740.56
1100100	V734670	08/01/2008	5,867,403.75	EUR	5,867,403.75
					6,572,006.90

Annex VI

Payments made from 1 January 2007 to 31 December 2007

Paid from the euro account

Comm No	LC	Date paid	Value in the original currency	Currency	Euro Value
631099	Z737736	19/01/2007	788,123.20	EUR	788,123.20
631099	Z737736	19/07/2007	783,102.45	EUR	783,102.45
631099	Z737736	31/07/2007	785,273.20	EUR	785,273.20
702674	U751752	05/10/2007	1,539.20	EUR	1,539.20
702674	U751752	05/10/2007	71,802.60	EUR	71,802.60
830726	C731589	18/07/2007	335,767.20	EUR	335,767.20
902053	L736336	26/10/2007	132,100.80	EUR	132,100.80
902053	L736336	26/10/2007	541,288.50	EUR	541,288.50
902053	L736336	26/10/2007	95,461.09	EUR	81,141.12
902053	L736336	26/10/2007	132,200.09	EUR	125,985.24
930599	L733054	29/08/2007	145,999.72	EUR	145,999.72
1000299	T732141	28/12/2007	31,120.88	EUR	31,120.88
1000623	T732881	17/12/2007	486,363.00	EUR	486,363.00
1000752	T739588	29/11/2007	400,720.44	EUR	400,720.44
1001204	T751571	18/07/2007	979,206.00	EUR	979,206.00
1001243	T733865	10/09/2007	1,115,965.26	EUR	1,115,965.26
1001243	T733865	11/10/2007	790,128.00	EUR	790,128.00
1001243	T733865	12/12/2007	80,205.02	EUR	80,205.02
1001243	T733865	10/08/2007	464,817.92	EUR	464,817.92
1001243	T733865	10/08/2007	786,136.64	EUR	786,136.64
1001243	T733865	14/08/2007	812,636.20	EUR	812,636.20
1001243	T733865	14/08/2007	1,580,176.12	EUR	1,580,176.12
1001817	T738729	17/12/2007	98,906.00	EUR	96,927.88
1001817	T738729	17/12/2007	67,730.36	EUR	59,602.70
1030309	T751348	24/01/2007	215,993.32	EUR	203,505.42
1030768	T736348	31/07/2007	6,789.75	EUR	6,789.75
1100335	V734553	09/11/2007	16,678,483.55	EUR	16,678,483.55
1101025	V737519	01/10/2007	5,464.00	EUR	5,464.00
1101025	V737519	29/11/2007	24,595.05	EUR	24,595.05
1200370	P738022	20/07/2007	948,068.00	EUR	948,068.00
1201514	P751389	02/08/2007	4,544,600.34	EUR	4,544,600.34
1230271	P751411	19/07/2007	37,309.60	EUR	35,444.12
1230271	P751411	19/07/2007	37,190.40	EUR	35,330.88
1230271	P751411	19/07/2007	37,309.60	EUR	35,444.12
1230271	P751411	19/07/2007	37,190.40	EUR	35,330.88
1230318	P750352	10/09/2007	1,619,038.40	EUR	1,619,038.40
1230318	P750352	10/09/2007	283,331.72	EUR	283,331.72
1230318	P750352	22/10/2007	238,241.92	EUR	238,241.92
1230498	P751739	19/07/2007	88,582.27	EUR	88,582.27
1300010	B751808	31/07/2007	340,828.80	EUR	340,828.80
1300164	B750291	17/10/2007	275,592.50	EUR	275,592.50
1300211	B751748	28/12/2007	342,717.59	EUR	342,717.59
					37,217,518.60

Paid from the United States dollar account

Comm No	LC	Date paid	Value in the original currency	Currency	Euro Value
600882	Z718687	27/12/2007	223,181.00	USD	223,181.00
600882	Z718687	27/12/2007	320,453.00	USD	320,453.00
601799	Z719838	13/11/2007	1,362,500.00	USD	1,362,500.00
601799	Z719838	27/12/2007	2,032,000.00	USD	2,032,000.00
631025	Z734374	13/12/2007	57,166.36	USD	57,166.36
702153	U735282	06/09/2007	540,000.00	USD	540,000.00
702374	U760000	02/10/2007	4,615,711.00	USD	4,615,711.00
702374	U760000	13/08/2007	1,694,800.00	USD	1,694,800.00
702374	U760000	04/09/2007	4,140,338.00	USD	4,140,338.00
702374	U760000	04/09/2007	442,083.00	USD	442,083.00
702374	U760000	27/12/2007	1,280,000.00	USD	1,280,000.00
702374	U760000	19/07/2007	3,966,694.00	USD	3,966,694.00
702374	U760000	26/07/2007	19,679,399.00	USD	19,679,399.00
					40,354,325.36